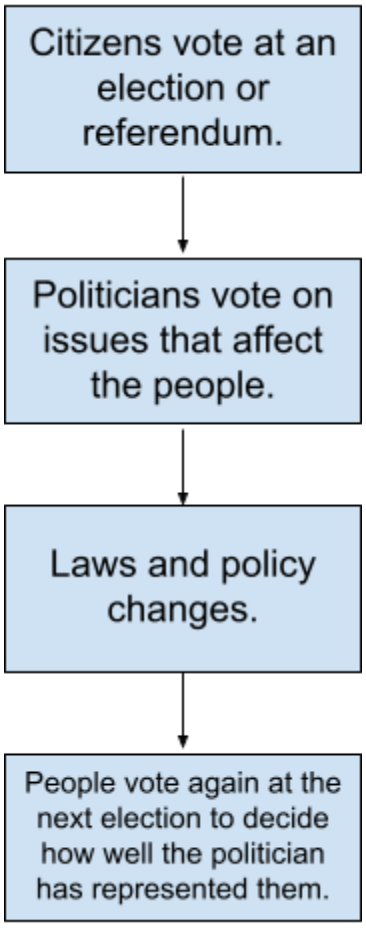
Democratia Protocol
White Paper

Treasury address:
F38nv9XQ2Rx2Yt35qhcLNt29ReafiWfVJFWU1ktuhmpb

Table of contents 1
Executive Summary 2
Background 2
Problem Statement 3
Objectives 6
Protocol Architecture 6
Technical Specifications 8
Blockchain Integration 11
Implementation Roadmap 12
Risk Assessment & Mitigation 14
Treasury Governance 16

Executive Summary:
To democratise democracy through the application of blockchain technology.

Background:
In order to better understand the need for improvements to our current system, we must first understand the system itself. Only then can we identify and address its flaws.


Citizens vote at an election or referendum.
Politicians vote on issues that affect the people.
Laws and policy changes.
People vote again at the next election to decide how well the politician has represented them.

Each country is different, but most democratic systems have remained unchanged for quite some time. Citizens show up to the voting booth to elect a representative. The majority vote decides who will speak for the community over a set term. That representative, commonly known as a politician, votes on and proposes laws based on what they believe the community needs or wants. At the end of their term, the people return to vote again.

If a politician performs well, they are likely to be re-elected. If they perform poorly, they are likely to be replaced by another candidate. Feedback from voters to governing

bodies is delayed. It only arrives at the end of a term, creating a significant lag in accountability.

Problem Statement:
While this system has served the world reasonably well, it suffers from several flaws that hinder its effective functioning. Some of these issues began as minor inefficiencies but have worsened over time. Others were significant from the start and have only deteriorated further. Nearly all of them interfere with the people's ability to have their voices heard clearly and effectively.

Issue 1. High Cost of Elections.
It's no secret that governments tend to overspend, and elections themselves are inherently expensive. The costs of hiring staff, setting up polling booths, and counting votes quickly add up. Referendums are typically even more costly, as the necessary infrastructure isn't in place for these infrequent, one-off events.

Running for office is also prohibitively expensive in most countries. Registration fees, campaign advertising, and staff coordination costs can quickly accumulate over the course of an election cycle. This financial burden creates a major barrier to entry for many well-intentioned candidates who simply lack the funds to run. Their ideas may benefit their communities, but they are unlikely to be elected. Not because they are unqualified, but because the cost of entry is too high for the average person. As a result, some candidates turn to corporations and special interest groups for funding, often in exchange for future policy support. Suddenly, a good candidate with genuine intentions may begin to back policies that do not serve their community's best interests. Other candidates simply don't bother running at all.

Issue 2. Representation Lacks Nuance.
Politicians are typically elected based on broad policy platforms, especially at a federal level. For example, they may be chosen because they are pro or anti-immigration. The majority of voters support their message, which is intended to reflect the majority opinion. However, how the politician interprets and acts on that majority opinion is ultimately up to their own discretion.

Politicians lack guidance on the specific desires of their constituents, making it impossible to capture the nuance of issues. Take immigration as an example. The majority vote may be anti-immigration, wanting to reduce migrant numbers. Politicians have no way of knowing the specifics of what their community truly wants. Do they favor detention centers or offshore processing? Do they oppose those ideas entirely?

Do they distinguish between skilled and unskilled migration? What about single individuals versus families? The politician has no way of knowing. The same issue arises if a community is pro-immigration. How much immigration is acceptable? Does it matter if the migrants' culture aligns with the local one? These complex questions remain unanswered, forcing otherwise well-meaning politicians to make educated guesses. That is the core of the problem. There shouldn't be any guesswork on such major issues.

In other words, the system fails to capture the true opinions of the people. Do they really want to go to war? Do they believe the road needs an upgrade? How about building a new school? Should we tax large conglomerates, or is creating employment opportunities more important? Politicians are left to make broad, generalized guesses. These guesses often result in costly mistakes.

Issue 3. Underrepresented Demographics.
This issue likely affects democratic systems without compulsory voting more than those with. "Majority wins" is a core principle of democracy. An essential concept that drives the system. However, this often results in many minority demographics being underrepresented. When we speak of minority demographics, we don't just mean smaller ethnic populations, but also smaller political ideologies and subgroups within socio-economic classes. The issues faced in rural areas differ greatly from those in urban centres, yet because urban populations are larger, rural areas are frequently overlooked.

What happens when people feel their opinions don't matter? They become isolated and may grow more extreme in their views. When their voices are ignored, they drift further away from mainstream society. This sense of alienation diminishes their sense of individual agency, and their concerns remain unaddressed. Society becomes more divided.

Issue 4. Voter Fraud.
The vast majority of "modern" democracies have been using the same voting methods since the 1800s. Pencils and paper. This system is both unverifiable and slow, with voter fraud remaining a significant issue. While both voters and governments recognize the need to update these systems, the implementation of new technology has faced significant challenges. No one wants to take the risk of transitioning to a modern system in case it fails, and there is currently no alternative that can be reliably trusted to replace pen and paper.

The weakness in the way we vote has led to the validity of election results called into question. This undermines voters' trust in the system as a whole.

Issue 5. Incumbency and Structural Entrenchment.
These issues have culminated in the creation of a political class. Due to the high cost of running for office and people's natural inclination to favour familiarity, an entire societal class has emerged. Known as the "political class", this group is made up of career politicians who have mastered the art of mediocrity. They do just enough to secure re-election year after year, while their communities' needs remain unmet. Many have never held a regular job and fail to truly understand the struggles of the average person.

This disproportionately disadvantages young people. The majority of the political class consists of individuals aged 50 and over. As they become further entrenched in power, it creates yet another barrier for new candidates to overcome. As a result, fresh ideas struggle to take root and grow within the community. New technologies are slow to be adopted, and institutions remain stuck in the past.

At present, we have aging policymakers making decisions about technologies they neither use nor fully understand. These same individuals are also shaping long-term policies whose full impact may not be felt for decades. Well beyond their own lifespans. The core issue is not age itself, but a system that enables political entrenchment and stifles generational renewal. As a result, younger generations remain underrepresented in both voice and vision.

Issue 6. Special Interest Groups.
At its core, democracy was always meant to represent the will of the community. What do the people want? How can we best support those in need? Its purpose was to ensure that collective decisions reflect the values and needs of the population, not the preferences of a privileged few. Democracy was designed to protect the people from the whims of the ruling class.

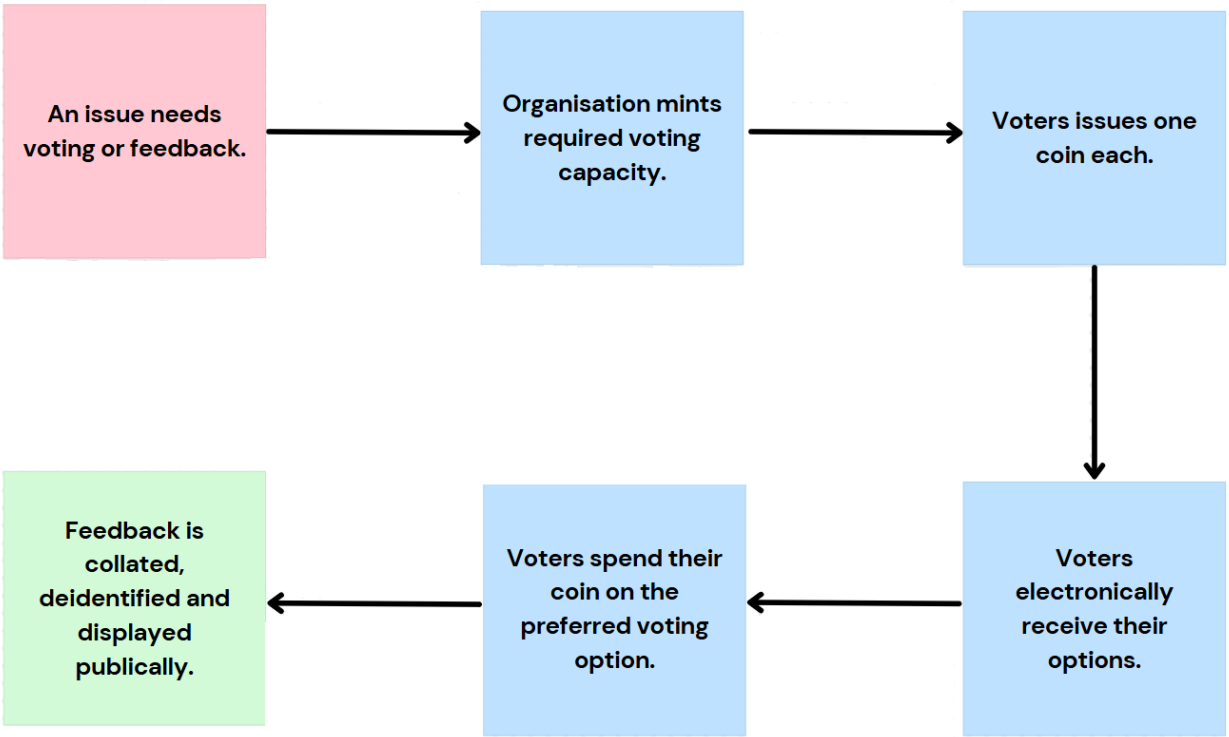
Today, many democracies are heavily influenced by well-funded lobbying groups. Giant oil companies were never meant to have a vote. Multinational corporations were never meant to shape public policy. Democracy was never intended to serve profit. For good reason. More often than not, the interests of large corporations run counter to the needs of everyday people.

Running for office is expensive and that money has to come from somewhere. Too often, it comes from big business. Corporations donate to political candidates with the

expectation that their interests will be reflected in future policy decisions. Politicians who enter into these arrangements often find themselves trapped. If they don't deliver, they risk losing vital funding for their next campaign. While not all lobbying groups are malicious, they wield disproportionate influence in modern democracies. In the end, it's the citizens who are being outvoted by corporate interests.

Objectives:
The Democratia protocol aims to democratize democracy by returning power to the people. It also seeks to reduce the influence of the political class and minimize unnecessary public spending.

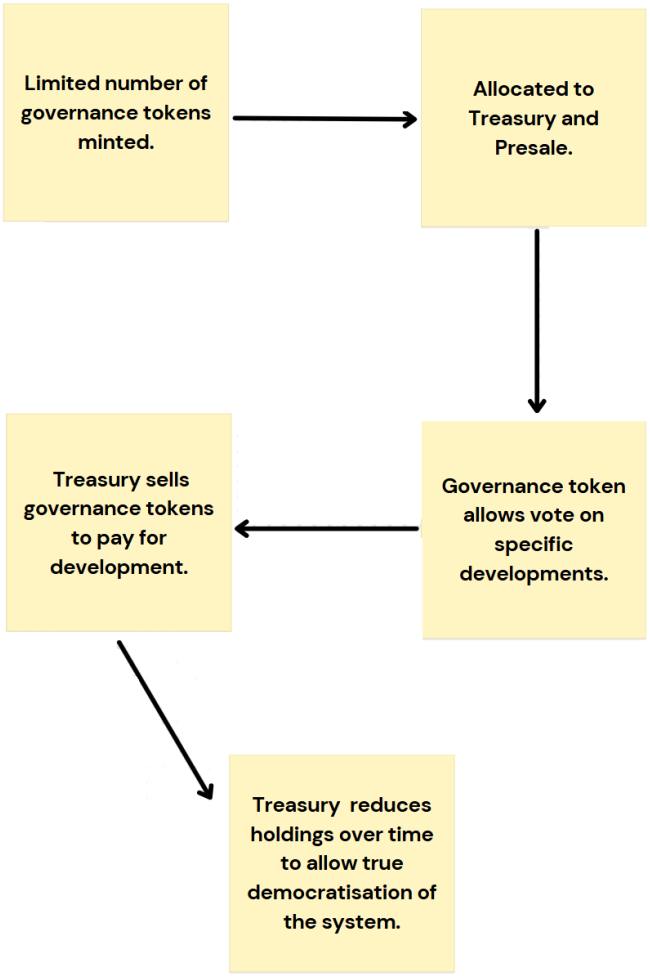
Protocol Architecture:


An issue needs voting or feedback.
Organisation mints required voting capacity.
Voters issues one coin each.
Voters electronically receive their options.
Voters spend their coin on the preferred voting option.
Feedback is collated, deidentified and displayed publically.

When an issue requires a vote, the issuing organization acquires one Democratia token to convert to their organization specific coin for each eligible voter and distributes them accordingly. The organization will verify all member identity themselves and link/collect user wallets to distribute their coin too. From a technical standpoint, this allows for fundamental protection from a Sybil attack on the network. Each coin represents one vote. In a government context, each eligible citizen would receive one coin. However, in scenarios where stakeholders hold unequal stakes, such as corporate governance, additional coins may be allocated to reflect proportional voting power.

Voters are then presented with options determined by the issuing organization. To cast a vote, a voter spends their coin on their chosen option. Once spent, the coin is removed from the voter's wallet. This mechanism ensures vote integrity by preventing the reuse of tokens and eliminating the possibility of duplicate or fraudulent votes. Once voting concludes, the aggregate results are publicly displayed on-chain.

Unlike traditional systems that tie votes to a name or identity, Democratia enables voting through tokens, providing an added layer of anonymity and privacy.


Limited number of governance tokens minted.
Allocated to Treasury and Presale.
Governance token allows vote on specific developments.
Treasury sells governance tokens to pay for development.
Treasury reduces holdings over time to allow true democratisation of the system.

The governance token is distinct and separate from each organization's voting coin. The governance token allows for voting on future development to the Democratia ecosystem. A limited number of governance tokens are minted and allocated between the treasury and the presale. This structure enables everyday users to participate in the protocol’s development, marking the first step toward democratizing Democratia itself.

Each governance token grants voting power on key development directions and milestones. Governance token holdings are proportionate to the voting power each person holds. As the project matures, the treasury will gradually sell its governance tokens to fund ongoing development. Over time, the treasury's holdings will be reduced to near zero. At which point control of the protocol will be fully decentralized.

Technical Specifications:
At its core, the protocol modernizes voting mechanisms. While it has the potential to revolutionize democracy, its applications extend beyond government. Any organization with stakeholders, such as large corporations, charities, religious groups, and community organizations, can benefit from the protocol. Collecting feedback from stakeholders is a common challenge for these entities, and the protocol provides a solution.

Large companies often struggle to gather honest feedback from employees due to fears of repercussions. Charities lack a system to ask those in need where their resources would have the most impact, forcing them to make educated guesses. Local community groups typically don't have the resources to conduct proper surveys or votes. Religions, which span vast geographical areas, often have diverse needs and views within a single faith, especially in modern times when followers are spread across multiple countries. These challenges are shared by governments when conducting votes, and the Democratia protocol offers a solution. At its core, the protocol is designed to address the needs of any large organization seeking to gather input and achieve collective goals.

When an organization requires stakeholder feedback, it uses the governance token (purchased on the open market) to mint its own unique organization coin via smart contract. The minting process follows a one-to-one swap: one governance token equals one organization coin. Each organization coin represents one vote. The organization then registers its voting members and allocates the coins accordingly. For a government democratic vote, this would mean one coin per person. The member's wallet limits the number of unique coins it can hold, preventing the allocation of extra coins and ensuring that no fraudulent votes can be cast.

On the voter's end, they receive the coin in their wallet. They are then presented with the voting options. Once they select their preferred choice and confirm with two-factor authentication, the coin is "spent" and removed from the user's wallet.

When the vote is completed, the results are aggregated and publicly displayed in the wallet. Both the voters and the organization can view the total votes cast, the total number of coins issued, and the percentage split for each voting option's result.

The coin used to cast the vote instills confidence in the Democratia system from both the organization's and the voters' perspectives. Organizations can trust that the vote is secure because they mint only the exact number of required votes. Minting additional votes would be costly and easily detected. This is in contrast to paper ballot voting, where bad actors can forge ballots to create extra or fraudulent votes.

Voters can be confident in the anonymity of the system because, unlike paper ballots or a show of hands, the coin is not tied to any name or personal credentials. The removal of the coin ensures that no individual is permanently associated with a particular vote, unlike other systems, such as a soul token, that would track voting history. Members can see how many coins were minted at two key points: when they receive their coin (e.g., displayed as "1 of 40") and at the final vote tally (e.g., displayed as "40 out of 40"), which shows how many votes were cast.

In the rare cases where someone fails to cast a vote, the unique coin wallet limit ensures they cannot hoard coins or receive additional coins for future votes. In other words, the limit prevents individuals from accumulating votes over time. It’s important to note that individuals can be members of multiple organizations. For example, Person A may hold one unique government coin issued to them and one unique coin from their local football club. The wallet limit only applies to coins from a specific organization (e.g., no more than one government coin). If the wallet is already holding a coin (i.e., it remains unused) and a second coin is issued for another vote, the wallet will register as “full” and return the newer token to the organization. This acts as a fail-safe, ensuring that no one votes more than they are allowed. The Democratia system eliminates the possibility of ballot stuffing.

The final display of the vote provides confidence to the voters. If an organization were to be corrupt and mint extra votes or allocate them deceptively, the voters would be able to identify this in the final results. For example, if the government were to issue additional votes to a wallet, the total number of votes cast would appear incorrect, as it would exceed the number of registered voters. This is far more efficient than physically counting paper ballots and trying to reconcile discrepancies. The public display also strengthens trust in the organization, as voters can verify that everything was conducted transparently and fairly.

As organizations and voters move through the system, from allocating coins to displaying the vote it becomes clear that a partner wallet will be required. To mint their unique coins, organizations will need custom software to allocate the appropriate number of coins to each wallet. Similarly, voters will need access to this partner wallet to view their voting options and spend their unique organization coin to cast their vote. Finally, the results of the vote will be publicly displayed to the organization's members within the same software.

The governance token is entirely separate from the coin used by voters to cast their votes. A limited number of governance tokens are minted and allocated to the treasury and presale, with a small portion reserved for the founders (less than five percent, locked). Initially, the tokens are held in full by the treasury wallet until the appropriate time for distribution and the first presale. The treasury will periodically sell governance tokens to fund the ongoing development of the Democratia ecosystem.

Holding the governance token offers several benefits. Firstly, it grants a vote in the development of Democratia milestones. When key development decisions arise, governance token holders will be able to vote in proportion to the amount of governance tokens they hold relative to the total supply. For example, if there are one million governance tokens and an individual holds one, they have one vote. If they hold two tokens, they have two votes, and so on.

Furthermore, the governance token enables organizations to mint their own unique voting coins via smart contract and utilize the Democratia system. This allows users of the system to influence its development and gives regular people a voice in shaping its future. As systems mature, unforeseen issues are inevitable, and it is the voters, organizations, and technical developers who are best equipped to determine the most effective steps forward at the time they arise. It is impossible to predict the challenges that may arise from its current state.

As the project matures, the treasury’s holdings will gradually decline as funds are used to support the system’s development. Over time, the role of the treasury will become less central. The treasury is not, and should never be, the arbiter of democracy. Nor should those who control it. Instead, the treasury serves as a guardian during the system’s early stages, ensuring it can eventually stand on its own within a self-sustaining ecosystem.

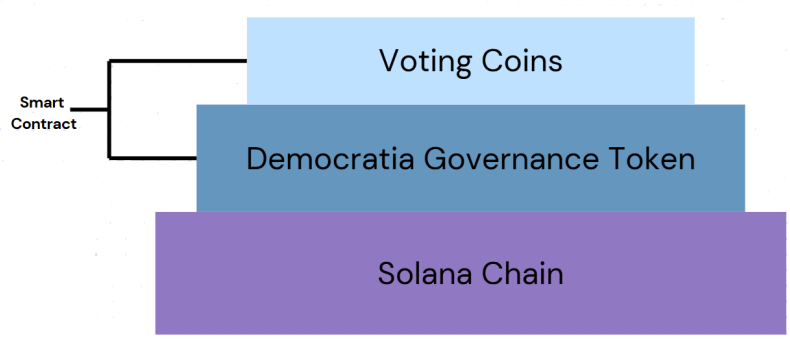
Blockchain Integration:
Democratia is minted on the Solana network. This decision was made in the best interest of the protocol, providing a strong foundation while offering the flexibility to meet the evolving needs of the ecosystem in the future. Solana allows smart contracts which will be required when minting the unique organizations coin for voting. Solana allows for the mint process via smart contract to mint the unique organizations coin using the Democratia governance coin.

The Solana chain offers exceptionally low transaction costs, Often less than $0.001 USD per transaction. This is a critical factor for the Democratia ecosystem. If transaction fees are too high, organizations will be discouraged from adopting the protocol. To encourage widespread use, the barrier to entry must remain low, and Solana enables exactly that.

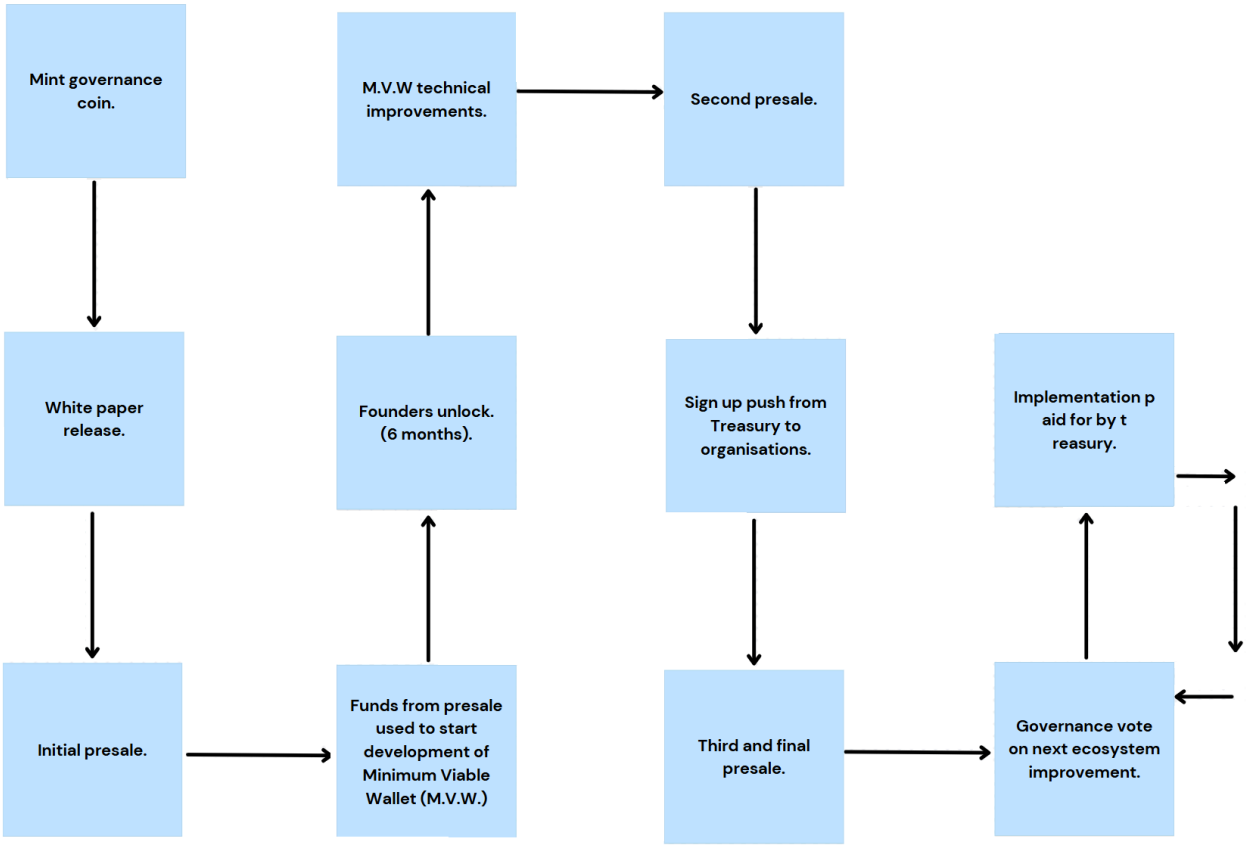
The speed of the Solana chain is another key advantage for the Democratia protocol, with the capacity to process over 65,000 transactions per second. Voting through Democratia must be fast and seamless, significantly outperforming traditional methods like paper ballots, which are slow and labour-intensive. For example, Solana could process the entirety of Australia's federal election (17 million votes) in approximately 276 seconds (4 minutes and 36 seconds). In the 2020 U.S. federal election, 158.4 million votes were cast. With Democratia on Solana, that vote could be processed in just 2,438 seconds (40 minutes and 38 seconds).

The Solana network offers robust developer tools and a mature ecosystem of applications, enabling faster and more efficient development of the Democratia protocol compared to many other chains. Its existing infrastructure supports the rapid creation of a minimum viable wallet, reducing the need for extensive groundwork. Additionally, Solana provides strong interoperability and bridging capabilities, which means that projects built on it can migrate to other chains if necessary. Should Solana ever become unsuitable or suboptimal for the protocol’s needs, Democratia can transition without being locked in. In this way, building on Solana inherently future-proofs the protocol.

Finally, much like Solana’s low transaction fees, the cost to mint the Democratia governance token was also minimal. It is essential that the treasury avoids wasteful spending, a principle that applies from the outset. Solana enabled the cost-effective launch of the protocol, aligning with the project's core values of efficiency and fiscal responsibility.



Implementation Roadmap.


Mint governance coin.
White paper release.
Initial presale.
Funds from presale used to start development of Minimum Viable Wallet (M.V.W.)
Founders unlock. (6 months).
M.V.W technical improvements.
Second presale.
Sign up push from Treasury to organisations.
Third and final presale.
Governance vote on next ecosystem improvement.
Implementation p aid for by t reasury.

The treasury mint 600 million governance tokens. While this may seem like a large number, it is necessary when considering the sheer volume of votes cast globally each year. This high supply is designed to future-proof the ecosystem and ensure scalability

as adoption grows. The treasury has the option to mint more, however will only do so where a vote mandates it necessary. It is our belief that this will not be necessary until the project matures.

The white paper is released to the public, outlining the project's ecosystem, functionality, and roadmap. It provides a clear and comprehensive overview of the protocol and serves as a foundational reference for future development. One week after its release, the initial presale goes live. This presale features a limited allocation, allowing early adopters the opportunity to support the protocol from its inception.

Funds raised from the presale will go directly to the treasury entity, which will allocate them toward the initial development of the Democratia protocol. The primary goal of this funding is to build the minimum viable wallet required to operate within the Democratia ecosystem. This wallet will support both mobile and web browser capability. To ensure transparency and trust, all treasury expenditures will be made publicly available within a reasonable reporting period.

Six months after the initial public presale the founders' tokens, representing less than five percent of the total token supply, will unlock. At that time, the treasury wallet will transfer the allocated tokens to the founders in accordance with the release schedule.

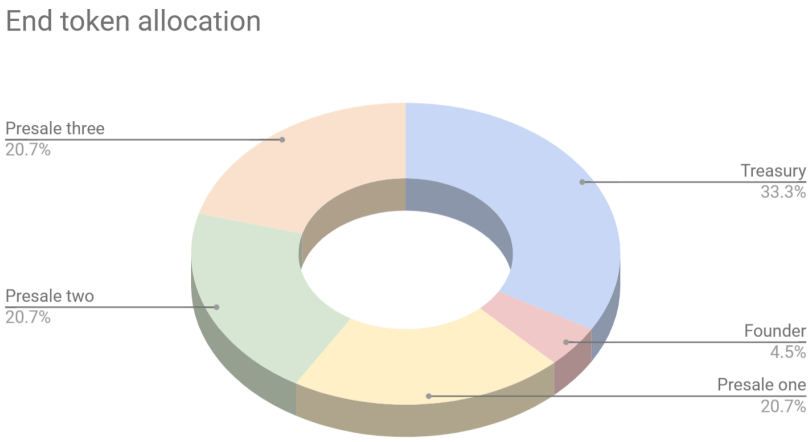
Upon completion of the initial Minimum Viable Wallet, the treasury will notify the community before conducting a basic usability test. Based on the results of this test, minor improvements will be made prior to releasing the wallet to the community. At this stage, the community will have a functional, albeit basic, way to interact with the ecosystem.

At this stage, the treasury will initiate a second presale. We anticipate significantly higher demand, as the ecosystem will be demonstrable by this point. The primary goal of this presale is to raise funds for the treasury, enabling further development of the wallet to a level where it can be reliably used by organizations on a large scale. Once these developments are completed, the treasury will actively market the ecosystem to targeted demographic organizations, potentially offering incentive programs to onboard them initially.

Upon onboarding organizations, the treasury will initiate the third and final presale. We expect demand to rise at this stage, as the protocol will have demonstrated its functionality. This will be the final dedicated presale. The funds raised will be allocated according to the ecosystem's needs, with decisions made through a governance vote.

All holders of the governance token will have the opportunity to vote on the next round of developments.

At this stage, the treasury will begin to reduce its holdings. As new developments occur, the treasury will initiate votes for further advancements. At each stage, the treasury will sell an appropriate portion of its holdings to fund these developments. Additionally, the treasury may allocate funds to support the onboarding of major organizations or provide incentives to expand the ecosystem. However, this can only be done through a governance vote.



The treasury will carry out the three allocated presales, as well as any subsequent sale events, with the utmost diligence. Each presale will span a month to ensure the market is not overwhelmed by excessive supply. The intention is for the presale to occur gradually over the month, allowing the market to establish a new equilibrium with each allocation release. Supply shocks must be avoided to maintain both the organization's stability and voter trust in the network.

Risk Assessment & Mitigation:
Given the emerging nature of the technology, there are several risks and challenges the protocol may face as it develops. The first is regulatory risk. The cryptocurrency industry is still in its early stages globally, with each jurisdiction developing its own legislation and restrictions regarding its use. It is impossible to predict what regulations will be enacted in the future. The protocol aims to collaborate with, rather than oppose, regulatory bodies.

The second major challenge the protocol may face is funding risk. If the presale falls short of expectations or if development costs exceed initial estimates, the treasury may lack the necessary funds to complete the project. In such cases, the treasury would be forced to sell a larger portion of its allocation earlier in the process, rather than later, which could limit its ability to expand the ecosystem as the protocol matures.

Thirdly, there is personnel risk. As the protocol grows, the project relies heavily on the founders and key developers. These individuals may leave the project at any time due to personal or professional reasons, in which case the protocol would need to find suitable replacements which may be difficult.

Finally, the protocol operates at the cutting edge of blockchain technology, which introduces technological risk. As development progresses, unforeseen challenges may arise, and technical risks may emerge. The protocol's success relies on the successful development of the minimum viable wallet.

Treasury Governance:

Membership:
Membership in the treasury is granted to those who hold a minimum of fifty governance tokens and complete the registration process. Treasury membership grants the ability to vote on development and major expenditure milestones. These votes will be initiated and coordinated by the treasury when applicable.

Token Sale:
At every stage of protocol development, the treasury must comply with the established token sale rules. At any point during the sale of any portion of the treasury reserve, the treasury is required to adhere to these rules unless a governance vote determines otherwise.

The treasury should always adhere to the principles of a leak sale. At all stages of the sale, supply shocks must be avoided at all costs. The market should not be flooded with excess tokens from the treasury.

When the treasury is mandated by a vote to sell a portion of its reserve, the sale must occur over a 30-day period. The treasury is required to announce both the start and end dates of the sale. The sale cannot be accelerated, regardless of demand. This ensures stability and, in turn, fosters trust in the protocol.

Over the 30-day period, the treasury must adhere to a strict sale formula. This formula ensures a controlled and reliable method for releasing supply into the ecosystem, particularly as the protocol matures. The formula is as follows:

$$Daily\ sale\ volume\ =\ Total\ new\ supply\ /\ 30\ days$$

It should be noted that the available on-market supply accumulates over the 30-day period. In other words, the previous day's unsold supply remains available in the market, and the current day's supply is added on top of it. This approach facilitates a gradual path toward market equilibrium at a lower level, if needed, while ensuring the treasury has the necessary funds for development, regardless of broader economic conditions.

✅ Avoid supply shock.
✅ Always takes place over a thirty day period.
✅ Daily supply of the sale is 1/day left.
✅ On market supply can accumulate.

The sale rules are designed to align the treasury's development needs with price stability. It is believed that maintaining price stability will foster trust in the protocol, particularly during the early stages of the project.

First Presale:
The protocol is not currently listed on any exchange nor will it be at launch. To support the early growth and community participation of the Democratia Protocol, we are conducting an initial presale in which participants can acquire DMC tokens in exchange for Solana (SOL). The presale is designed to be transparent, secure, and community-focused.

- Total DMC Tokens Available: 191,000,000
- Exchange Rate: 1 SOL = 5,200 DMC
- Estimated Token Price: ~0.05 AUD per DMC

Subscription Details:

- Treasury Wallet Address: F38nv9XQ2Rx2Yt35qhcLNt29ReafiWfVJFWU1ktuhmpb
- Minimum Contribution: 0.385 SOL
- Maximum Contribution: 2,000 SOL
- Full Subscription Target: 36,731 SOL

Participation Process:
Participants send SOL to the above Treasury Address. Token allocations are manually processed and distributed back to the participant's sending address within 48 hours (targeting 24 hours). For every 1 solana received into the treasury Wallet, 5200 DMC will be returned. In the event of oversubscription, excess funds will be returned to the wallet that sent the funds at oversubscription.

Transparency & Reporting
The presale will be conducted with full transparency. The treasury knows this initial presale relies on community trust. We will reconcile all transactions internally and provide summary reporting during and after the token distribution process.

Liquidity Commitment
A portion of the treasury funds received during the presale will be publicly committed to establishing a liquidity pool on Uniswap.

We guarantee not to pull initial liquidity from the pool until DMC is listed on a major centralized exchange, aligning with our long-term commitment to protocol integrity and community trust. We do not anticipate having to run Presale 2 and 3 using this method once a liquidity pool is established. It is hard to know exactly when exchange listings will take place.

Use of Funds:
When mandated by a vote, the treasury will sell the appropriate reserves. Following the sale, the treasury will hold fiat currency. The treasury will then adhere to a defined spending protocol that both permits and restricts certain expenditures.

The treasury may use the funds from the sale to cover development milestones, necessary equipment, and related expenses, including third-party contractors when required. All expenditures of this nature will be clearly and publicly disclosed within a reasonable reporting period.

The treasury may use funds from the sale of its reserves to create incentives, offer subsidies, or otherwise provide discounts to support the onboarding of organizations into the ecosystem. Larger organizations may require initial encouragement to adopt the protocol, and these funds can be used to reasonably facilitate that expansion. Doing so ultimately benefits all users of the protocol.

Furthermore, the treasury may use these funds to promote the protocol through digital campaigns, sponsorships, or in-person events. Expanding the reach of the protocol benefits all users.

The treasury may not use its reserves to benefit any individual associated with the project. It is prohibited from transferring fiat currency directly to personal wallets for the private gain of any person or persons tied to the protocol. The only exception is when work has been performed at the direction of the treasury, following a governance vote. For example, if a developer affiliated with the protocol contributes to approved development milestones, they may be compensated accordingly.

The treasury must retain full control over both its fiat and token reserves within its designated wallet at all times. No transfers may be made from the treasury wallet to another wallet without a public disclosure outlining the purpose and use of the funds within a reasonable reporting period. However, the treasury may transfer assets to an exchange when necessary to facilitate approved sale events.

In the unlikely event that the treasury receives a direct transfer from a third party into the treasury wallet, the funds will be used at the treasury's discretion in a manner that best serves the interests of the community. Where there is no reasonable benefit for the community, the treasury will make the best attempt to find a charity for these donated funds.

Voting Schedule:
A core function of the treasury is to conduct votes that allow the community to determine the future direction of protocol development. All registered treasury members are eligible to participate in these votes. Each vote must clearly state the question being posed and present the results in an unbiased, transparent manner. The language used in all voting materials must remain neutral and impartial.

Each vote must be conducted over a one-week period to ensure all registered treasury members have a fair opportunity to participate. Voting power is proportional to the number of governance tokens held: one token equals one vote. For example, a holder with ten tokens will have ten votes. This structure ensures that those most invested in the ecosystem play a key role in shaping its future.

At the conclusion of the one-week voting period, the treasury will compile and publicly display the results. Any uncast votes will be considered neutral and excluded from the final count. In other words, failure to vote will not impact the outcome, and such votes will be treated as abstentions. The treasury will then act in its best ability to implement the vote as required.

Dissolution:
The treasury will be wound up at the conclusion of the project, defined by a reserve balance of zero. At this point, it will become inoperable and cease all activity. If the reserves approach zero to the extent that the treasury can no longer function effectively, it will also cease operations. In such a case, its final action will be to conduct a vote on how to allocate the remaining minor balance before formally closing. It is the suggestion of the founders that if the remaining balance is negligible, it be donated to a charity of the votes choosing for them to convert to fiat and return the supply of the coin to the free market. Despite this suggestion, the community is free to vote how they want.

At any point prior to reaching a zero balance, the treasury may initiate a vote to wind up and cease operations. To pass, the proposal must receive a majority vote, defined as

more than 50% of the votes cast. Abstentions are not counted toward the total and have no impact on the outcome.

If the vote to wind down the treasury fails, the system will continue operating as usual. However, if the vote is successful, the following steps will take place. The treasury will cease all expenditures within seven days of the vote to wind down. A secondary vote will be held to determine the allocation of the remaining reserve funds within fourteen days of the initial successful wind up vote. The three options available in this subsequent vote will be as follows:

- Vote to sell the remaining reserves on the market and distribute the proceeds to governance token holders, in proportion to their holdings as of a specified cut-off date.
- Vote to distribute the remaining reserves directly to current governance token holders, in proportion to their holdings as of a specified cut-off date.
- Vote to sell the remaining reserves on the market and donate the proceeds to a designated charitable organization (specifically listed).
- Vote to lock the treasury reserve, thereby reducing total lifetime supply available.

The protocol was never designed for the treasury to be a permanent entity. As the ecosystem matures, the role of the treasury will naturally diminish, eventually becoming unnecessary. The protocol will live long after the treasury has wound down.

Further Supply:
The treasury does technically have the ability to mint more tokens. This should be avoided, only done so when absolutely necessary. A majority vote of 80% or more is required before the treasury can mint further supply. The vote for further supply can be triggered when the necessary supply is insufficient for onboarding further organisations or furthering development. This further supply should not be used to benefit the treasury or its members. It is the intention that the supply is not furthered however it has been left open to allow for technical upgrades. When it is clear that current supply is sufficient, it should be voted to disengage this feature and lock the total supply available.